

DD/A 75-2134

6 MAY 1975

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Fighting Inflation and Reducing Daily
Operating CostsREFERENCE : Memo dtd 28 Feb 75 fr DCI to DD's and Heads
of Independent Offices; same Subject

1. This memorandum is the first of the regular quarterly reports from the Deputy Directors on the subject of fighting inflation and reducing operating costs. The Agency continues to respond to your pleas for economy in operations without major disruptions or reductions in service. Much of the reporting is concerned with updated information on areas of savings previously identified -- for example, doubled-sided Xeroxing, limiting space renovations and telephone changes, conservation in the use of administrative supplies and reduction in consumption of energy-intensive resources.

2. There is no lack of innovation, however, in searching out new ways to economize. For example, in the Intelligence Directorate, [] plans to save \$12,000 a year beginning in FY 1976 by automating the [] voucher system; OGCR will save \$7,142 in FY 1975 by changing the format of its Factbook; and CRS is seeking to diminish keypunch requirements so that it may cancel cardpunch rentals and has saved \$1,300 to date by this program. As might be expected, major savings in the Administration Directorate are being made by the Offices of Communications, Logistics and Joint Computer Support. Other DD/A Offices are also committed to fighting inflation: the Office of Training is collecting and reissuing class materials and handouts and has decreased copying needs by using a selective routing for all disseminations; the Office of Personnel has asked field recruiters to evaluate their use of long distance calls and reduce the number made to Headquarters; and the Office of Finance/Central Travel Branch has participated in the testing of resealable envelopes for use in Headquarters and found that they can save 3,600 new brown envelopes a year. Central Travel Branch also estimates they will save 2,000 copies of HHE storage billings a year by eliminating reference file copies.

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and maintained vehicles. The DD/O has also adopted a policy that tours of duty should be three years wherever feasible and efficient and estimates a savings of \$2 million per rotation cycle based on current costs. They will present a supported estimate of savings after the program has been in effect for a year or so. The DDO/Services Staff estimates it will save \$15,000 a year by reducing the number of computer printouts of paper listings and will save \$25,000 annually by producing microfiche for hard copy 201 file printouts.

4. The Science and Technology Directorate initiated a number of cost saving practices which were reported in February. These are on-going efforts involving improved use of computer tapes, reduction in number of hardcopy printouts and other moves which do not show dramatic short term gains but will consistently bring about savings. Their next quarterly report will provide more precise information on dollar savings. The Comptroller's Office has a limited opportunity for making significant progress, but insofar as they are able, they are following the inflation fighting guidelines presented in your referenced memo.

5. In reviewing the reports of the various components, we find that by the end of FY 1975 we will be able to quantify savings and present the data in 5 categories: FY 1975 savings, annual savings, one-time savings, estimated FY 1976 savings, and future savings (not within any of the previous categories). It is also obvious that some of the savings or inflation fighting measures should be classified as "cost avoidance" as opposed to cost reduction/inflation fighting. Even so, the stimulus for this process is the desire to keep costs down and create savings wherever possible. It is with this thought in mind that we plan to incorporate "cost avoidance" data in the figures in our July report.

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6. The next reports from the Deputy Directors are due after June 30. At that time we expect to receive the data which quantifies FY 1975 savings and gives in detail the effect the inflation fighting program will have over the next few years.

(S WSA 12)

/s/John F. Blake
John F. Blake
Deputy Director
for
Administration

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Approved For Release 2003/05/05 : CIA-RDP85-00809R000100010004-5

Approved For Release 2003/05/05 : CIA-RDP85-00809R000100010004-5